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BIWEEKLY REPORT

SINO-SOVIET BLOC ECONOMIC ACTIVITIES IN UNDERDEVELOPED AREAS

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4 June 1962

PREPARED BY THE WORKING GROUP
ON SINO-SOVIET BLOC ECONOMIC ACTIVITIES
IN UNDERDEVELOPED AREAS

ECONOMIC INTELLIGENCE COMMITTEE

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Summary of Events

18-31 May 1962

Argentina has denounced the bilateral trade and payments agreement that was signed with the USSR in 1953. This agreement, which was the only remaining trade agreement between Argentina and Bloc countries, has never been of particular advantage to Argentina -- in 1961, Argentine-Soviet trade amounted to only about 1 percent of Argentina's total foreign trade.

In addition to its efforts to discover deposits of natural crude oil, Brazil is attempting to exploit the country's extensive deposits of oil-bearing shale with foreign assistance. The US and the USSR are involved in these negotiations, and it is possible that both countries will have a role in this development.

A contract for the partial improvement of Famagusta harbor in Cyprus was awarded to a Polish firm more than 5 months ago. No construction work has been done on the project, although some survey work probably has been accomplished. A large group of Polish technicians is due to depart for Cyprus in the near future.

Soviet missile experts arrived in Baghdad early in May to begin preliminary work on the construction of surface-to-air missile sites in Iraq. Currently these experts are surveying the greater Baghdad area for these sites. Initially they probably intend to establish a missile training facility near Baghdad.

Dahomey has dispatched a goodwill mission to all major Bloc countries to discuss the possibilities of economic aid. This development is in accordance with recent Dahomian policy to solicit foreign assistance which will supplement the already substantial aid that Dahomey is receiving from France.

A Soviet delegation which recently visited Senegal probably laid the groundwork for an economic aid agreement that may be signed during Senegalese Premier Dia's visit to the Bloc in June. In addition,

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the USSR and Senegal probably will sign a trade and payments agreement as well as a scientific and technical cooperation agreement. Similar agreements probably will be signed with Poland and Czechoslovakia.

In May, India signed contracts with Czechoslovakia, Poland, and the USSR for a number of development projects. Poland is scheduled to construct several powerplants having a total value of more than \$17 million, Czechoslovakia will provide a design and research institute for machine tools, and the USSR will furnish a heavy electrical machinery plant.

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